

**PHARMACY SERVICE AGREEMENT
BETWEEN
SHELBY COUNTY GOVERNMENT AND
SHELBY COUNTY HEALTH CARE CORPORATION
D/B/A REGIONAL MEDICAL CENTER AT MEMPHIS**

THIS AGREEMENT made on the _____ day of _____ at Memphis, by and between Shelby County Health Care Corporation d/b/a Regional Medical Center at Memphis (hereinafter “The MED”) and Shelby County Government, on behalf of the Memphis and Shelby County Health Department (hereinafter “HEALTH DEPARTMENT”).

WITNESSETH, WHEREAS, The HEALTH DEPARTMENT desires to contract for the provision of pharmaceutical services and medications for outpatients seen at the Memphis and Shelby County HEALTH DEPARTMENT.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

I. RESPONSIBILITIES OF THE MED

- A. Provide daily access to a pharmacist eight hours Monday through Friday, excluding the Health Department’s approved County Holidays which are New Year’s Day, Martin Luther King’s Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Veteran’s Day, Thanksgiving Day, Thanksgiving Day after, Christmas Eve and Christmas Day. Emergency coverage for the pharmacist’s unscheduled absence will be provided to cover immediate needs of the Health Department.
- B. Provide liaison for activities related to Federal, State and local bioterrorism and disaster planning and preparation for health related events.
- C. Pharmacist will assist Health Department staff in the compliance of Federal and State regulations related to medications.
- D. Provide clinical consultation toward the revision and maintenance of the Health Department’s Drug Formulary.
- E. Purchase pharmaceutical medications in specified quantities.
- F. The purchase of the pharmaceutical medications by The MED for the Health Department is governed by the terms and conditions of the agreement between The MED, and a group purchasing organization. This agreement permits The MED to purchase on behalf of the Health Department utilizing 340(b) pricing if available. In addition to approved group purchasing agency, The MED staff will purchase medications through State contracts,

from manufacturers directly, or any licensed distribution channel for medications for the purpose of acquiring needed medications in the most cost efficient manner possible.

- G. Prepackage and label medications in a clean and safe environment in accordance with State and Federal laws.
- H. Prepare, receive, and fill orders for Health Department's pharmaceutical requirements.
- I. Prepare and forward billing statements to the Health Department through The MED's Accounting Department, order and receive vaccines/pharmaceuticals from State; fill all vaccine orders, and maintain vaccine inventories.
- J. Place and receive orders from the Health Department's designated wholesaler.
- K. Provide drug information and consultative services to physicians and nursing staff of the Health Department.
- L. Prepackage standard dosage regimens for specified medications, (Tuberculosis, Sexually Transmitted Disease) as agreed to by The MED and the Health Department.
- M. Monitor the inspection of outlying Clinic's storage and distribution of medications every month, and report results to the clinic manager and the Personal Health Services (PHS) administrator at the Health Department.
- N. Verify and maintain files of drug purchase and requisitions.
- O. Check clinic inventory for expired medication and ensure proper disposal.
- P. Review drug recalls and coordinate appropriate action with the PHS administrator .
- Q. Identify and suggest ways to improve efficiency of Health Department's pharmacy program.

II. RESPONSIBILITIES FO THE HEALTH DEPARTMENT

- A. Drugs and supplies purchased by the Health Department from The MED will be dispensed solely to the facilities within the Memphis and Shelby County Health Department. The Health Department will be responsible for the proper administration,distribution and documentation of medications to patients by Health Department personnel.

- B. Submit medication orders to the pharmacist by a mutually agreed upon date.
- C. Provide transportation of medications from The MED to the Health Department and to the Clinics. Medications transported must be properly secured and stored according to manufacturer's specifications.
- D. Provide Technician coverage for the preparation and distribution of medications.

III. REIMBURSEMENT BY THE HEALTH DEPARTMENT

- A. The Health Department shall reimburse The MED for the monthly drug charge based upon the cost of requisitioned drugs. The cost will include an additional 1.5% for overhead. The MED will be reimbursed for any overtime, payroll expense if required/requested by Health Department and pre-approved by the Administrator of Personal Health Services. Overtime rate will be based on time and one-half for the involved personnel. Overtime and additional staffing expense should be added to the monthly invoice and processed through Accounting.
- B. Reimbursement to The MED for pharmacist coverage and administrative labor will be: \$11,000.00 monthly from January 1, 2009 through June 30, 2009 not to exceed \$151,000 annually. Said payments shall be made by the 1st of each month by forwarding payment to the Regional Medical Center pursuant to the Notice Provision in Section IV. L. of this Agreement. Additional personnel expense required or requested by the Health Department will not be included on the maximum limitation.

IV. MISCELLANEOUS PROVISIONS

- A. The term of this agreement shall be from January 1, 2009 through June 30, 2009 with an option to renew for 2 additional one-year periods upon mutual written consent of both parties.
- B. Either party may terminate this agreement at anytime with or without cause upon at least thirty (30) days prior written notice. Termination of this agreement will occur immediately if either party loses pharmacy accreditation/license with the State of Tennessee.
- C. If so desired by the Health Department, additional services, such as feasibility studies of community clinical pharmacy roles can be supplied by The MED under a separate agreement or by written amendment to this agreement by duly authorized representatives of the parties hereto.
- D. Selection and evaluation of the pharmacist assigned to the Health Department will be mutually discussed and agreed upon. Provided, however, if agreement cannot be reached, The MED reserves the right to select an evaluate such individual.

- E. This contract will be governed by and construed in accordance with the laws of the State of Tennessee. Each party is responsible for its own acts of omission, commission and negligence.
- F. Failure of either party to enforce any provision of this Agreement shall not be construed as a waiver of the provision, or the parties' right to enforce the provision hereafter. All remedies provided for in this Agreement shall be cumulative and in addition to and not in lieu of any other remedies available to either party at law, in equity or otherwise.
- G. This agreement may be assigned or transferred only with the written consent of the parties hereto.
- H. The parties hereto will not discriminate against any individual on the basis of race, color, sex, religion, national origin, Vietnam veteran or handicap unrelated to reasonable requirements of this Agreement.
- I. It is further understood and agreed that no stipulation or statement made by either party to the other, prior to the execution of this contract, and not expressed herein, shall be deemed to be or taken as a part of this contract, which together with the specifications and terms and condition of this contract, made a part hereof, as aforesaid, shall be the sole measure of the liabilities and duty of each party herein.
- J. This Contract is subject to annual appropriations of funds by the Shelby County Government. In the event sufficient funds for this Contract are not appropriated by Shelby County Government for any of its fiscal period during the Term hereof, then this Contract will be terminated. In the event of such termination, The MED shall be entitled to receive all actual costs and fees incurred for all services performed as of the effective date of Termination.
- K. HIPAA – The MED warrants to the Health Department and State that it is familiar with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract. The MED warrants that it will cooperate with the Health Department and State in the course of performance of the Contract so that all parties will be in compliance with HIPAA, including cooperation and coordination with Health Department and State privacy officials and other compliance officers required by HIPAA and its regulations. The MED will sign any documents that are reasonably necessary to keep the State and the Health Department in compliance with HIPAA, including, but not limited to, Business Associate Agreements.
- L. NOTICE – Any notices required or permitted to be given under the terms of this contract shall be effective only if in writing and delivered either in person to the County's authorized agent or by First Class or U.S. Mail to the addresses set forth below, or to such other person or address as either party may designate in writing and deliver as herein provided:

COUNTY: Shelby County Government
Attn: Johnathan Russell
814 Jefferson Avenue
Memphis, TN 38103

And

Shelby County Government
Attn: Contracts Administration
160 N. Main Street, Suite 550
Memphis, TN 38103

VENDOR The Regional Medical Center at Memphis
Attn: Pharmacy Director
877 Jefferson Avenue
Memphis, TN 38103

- M. This agreement shall not be amended unless in writing and signed by the authorized parties hereto. If any part of this agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining parts of the agreement shall continue to be valid and enforceable.
- N. STATUS OF THE PARTIES: Health Department and The MED are independent legal entities. Nothing in this Agreement shall be construed to create the relationship of employer and employee, or principal and agent, or any relationship other than that of independent parties contracting with each other solely for the purposes of carrying out the terms of this Contract.
- O. No party shall be responsible for personal injury or property damage or other loss suffered by any person or entity except that resulting from its own negligence, and nothing in this Agreement shall be construed as creating an obligation to indemnify the other party against the other party's own negligence. For any individual pharmacists providing Services hereunder who do not have professional liability insurance for the term of this Contract, The MED hereby agrees to indemnify the County for any Section 1983 claim arising out of the performance of said Services by the individual pharmacist(s) in which the judgment exceeds the GTLA cap for damages. This obligation will extend through June 30, 2010.

IN WITNESS WHEREOF, the parties hereto have executed this amendment by signatures of their duly authorized representatives.

SHELBY COUNTY GOVERNMENT

A C Wharton, Jr., Mayor

Date:_____

**MEMPHIS AND SHELBY COUNTY
HEALTH DEPARTMENT**

Yvonne S. Madlock, Director

Date:_____

**APPROVED AS TO FORM AND
LEGALITY**

Contract Administrator
Assistant County Attorney

Date:_____

SHELBY COUNTY HEALTH CARE CORPORATION

By:_____

Title: _____

Date: _____

CORPORATE ACKNOWLEDGMENT

STATE OF TENNESSEE

COUNTY OF SHELBY

Before me, the undersigned Notary Public, in and for the State and County aforesaid, personally appeared _____, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself/herself to be president or other officer authorized by appropriate Corporate action and/or Resolution to execute the preceding instrument of the _____ the within named bargainor, a corporation, and that he as such _____, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself/herself as _____.

WITNESS my hand and official seal at office this _____ day of _____, 200__.

Notary Public

My Commission Expires:_____